and without further intervening action or debate the Senate proceed to vote on passage of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FRIST. A discussion of what we have just done will take place later in the evening. The unanimous consent request means that Senator BAUCUS and Senator DODD will have their statements followed by a series of stacked votes. We will have at least three rollcall stacked votes, and then we will have some judge votes; we will be in consultation as to how many judge votes there will be. The plans will be to have a series of at least three rollcall stacked votes tonight.

The PRESIDING OFFICER. The Senator from Montana.

CHILE AND SINGAPORE FREE-TRADE AGREEMENTS

Mr. BAUCUS. Mr. President, I appreciate the work of the majority and minority leaders in putting this agreement together tonight. It sounds as if we will be able to get home for recess.

I will say a few words about the Chile and Singapore free trade agreements.

Today the Senate begins its debate on implementing the United States-Singapore and United States-Chile Free Trade Agreements.

Bringing these bills to the floor this month has been a priority for me, as I know it has been for Senator GRASSLEY. Timely passage will allow these two important agreements to go into effect as planned on January 1, 2004. And passage will user in a new era of enhanced economic ties between the United States and two important trading partners.

These are the first bills to come before the Senate under the renewed fast-track procedures adopted last year in the Trade Act of 2002. So before I discuss the agreements and the implementing bills in detail, I want to talk about the events that have brought us here today.

One year ago, the Senate passed the Trade Act of 2002 by a vote of 64 to 34. Among other important provisions, the Trade Act gave the President fast-track trade negotiating authority for 3 years, renewable for 2 more. Fast-track—or trade promotion authority, TPA, as it is sometimes called—is a contract between Congress and the administration. It allows the President to negotiate trade agreements with foreign trading partners with a guarantee that Congress will consider the agreement as a single package. No amendments are allowed and a straight up-or-down vote is guaranteed by a date certain.

In return, the President must pursue a list of negotiating objectives set by Congress. And he must make Congress a full partner in the negotiations by consulting with Members as the talks proceed.

Last year, as Chairman of the Finance Committee, I worked hard to pass the Trade Act and renew the President's fast-track trade negotiating authority.

In many cases, fast-track is an absolute necessity for completing new trade agreements. Our trading partners simply will not put their best deals on the table if they know that Congress can come back and change the agreement later.

Getting those best offers on the table is critical. It means more jobs for American workers, a level playing field, more exports for our farmers, ranchers, and companies and more choices and lower costs for consumers.

That doesn't mean our trade agenda ground to a halt without fast-track. We passed the U.S.-Jordan FTA Implementation Act in 2001 without fast-track—and by an overwhelming margin. And the Clinton Administration began negotiating the Singapore and Chile FTAs without fast-track.

I believe, frankly, that we could pass the Singapore and Chile bills without fast-track as well. But having it certainly makes the process run smoothly.

That brings me to the two free trade agreements themselves.

I have long been a supporter of trade with Singapore and Chile. In 1999, I took a delegation of Montana business people to Chile to press the case directly. I have also visited Singapore with a Montana trade delegation.

Even before we passed the Trade Act last year, I introduced legislation to grant fast-track specifically for a Singapore or Chile free-trade agreement.

Negotiating these agreements took several years of work, under both the Clinton and Bush Administrations, many negotiating sessions, and hours of consultation with Congress.

I am glad that my work and that of so many others has paid off and brought these agreements before us today. Congratulations are due all around for a job well done.

These are the first agreements to be held to the new and progressive standards included in last year's Trade Act.

By and large, I think the two agreements stack up fairly well against the negotiating objectives set out by Congress. They set a new standard in many areas that is truly state-of-the-art.

I will touch on some of the highlights.

On agriculture, the Chile FTA provides for tariff-free, quota-free trade within 12 years, with more than 75 percent of U.S. farm products entering Chile tariff-free within 4 years. That's a major achievement. U.S. farmers will have access to Chile that is as good as or better than Chile gave to the European Union and Canada in existing trade agreements.

Significantly, Chile has committed to the United States to eliminate its so-called ''price bands'' on certain commodities. These price bands—or variable tariffs—are extremely harmful to our farmers. Chile agreed to eliminate them.

The main benefits to my state of Montana will be in improved market access for beef and wheat.

Senator GRASSLEY and I worked hard to ensure that Chile will grant reciprocal recognition of U.S. meat inspections. With this important development, Montana's world-class ranchers now have the access to Chile's growing market that they deserve.

The agreement will also eliminate the 10 percent tariff that puts American wheat growers at an artificial disadvantage when competing with Canadian growers for sales in Chile. Obviously, Canadians do not pay that. We Americans do, until this agreement is put into effect.

On Market access, these two agreements enshrine the principle that all tariffs must eventually go to zero. U.S. policy of entering comprehensive free trade agreements stands in sharp contrast to the practices of some of our trading partners, who negotiate agreements that exclude agriculture or other sensitive sectors.

The Singapore and Chile agreements send the right message on market access: countries that are not ready to put everything on the table are not ready to negotiate an agreement with the United States.

On services, both agreements offer expanded market access for U.S. services providers and strong transparency rules for service regulations that exceed Chile and Singapore's WTO commitments. The agreements break new ground by using a ''negative list,'' where all services are subject to the agreements' rules unless expressly excluded.

Particular achievements include enhanced access to the Singapore market for banking and other financial services, which is important because Singapore is a regional hub for southeast Asia.

Enhanced market access for services is critical, because the service sector now provides the majority of American jobs. So expanding services trade means more job opportunities.

The agreements include intellectual property rights obligations that exceed WTO levels. They set a high standard of protection for trademarks, copyrights, patents, and trade secrets that will support innovation and our country's creative industries, and they establish a tough enforcement regime for piracy and counterfeiting.

The agreements extend free trade principles to electronic commerce—making sure protectionism cannot take root in the new frontier of trade.

Unlike NAFTA, which dealt with labor and environment in side agreements, the Singapore and Chile agreements include core chapters dedicated to these important subjects. It is an improvement.

Both agreements incorporate the key Congressional objective that countries commit not to ''fail to effectively enforce'' their labor and environmental laws ''through a sustained or recurring

course of action or inaction, in a manner affecting trade.'' This commitment is enforceable through dispute settlement.

The agreements also foster cooperative projects to promote environmental protection and worker rights. For example, the United States will assist Chile in building capacity for wildlife protection and resource management and to improve public information about chemicals released by industrial facilities.

The agreements establish a secure and predictable legal framework that covers all forms of investment, and investor rights are backed up with dispute settlement procedures.

All core obligations of the agreements, including environmental and labor provisions, are subject to enforcement through dispute settlement. Panel proceedings must be open and transparent—that is totally new—including public hearings, public release of legal submissions, and the right of third parties to submit views.

For the first time in a U.S. free trade agreement, panels will be able to impose monetary penalties in the first instance. If those monetary penalties are not paid, trade sanctions will be available as a back up—even in environment and labor cases.

There are those who see this use of fines as a step back. In my view, it is something worth trying, to see how well it works.

The fine mechanism should allow for a greater focus on cooperative problem-solving in resolving disputes. If it doesn't trade sanctions are still available.

Only experience can tell us how well this system will work. Based on that experience, we can reconsider a fines-based system in future agreements if we need to.

Finally, a word about trade laws. Last year's Trade Act instructed the administration to ''avoid agreements that lessen the effectiveness'' of U.S. trade laws.

These agreements reflect that instruction. There are no provisions weakening our antidumping or countervailing duty laws.

As in NAFTA, the President may exclude Singapore from a global safeguard remedy in certain circumstances. This exception does not apply to Chile.

At the same time, both agreements strengthen the ability of American producers to obtain safeguard relief—if needed—by creating new bilateral safeguards, new textile and apparel safeguards, and a tariff snap-back safeguard for sensitive agricultural products from Chile.

Overall—these agreements cover a lot of ground, and they do it well.

Does that mean that we now have the perfect text for every future agreement? Of course not. There is always room for improvement in trade agreements.

There is no one-size-fits-all solution—whether you are talking about agriculture, intellectual property, environmental standards, or services.

That is why I feel strongly that every new free-trade agreement needs to be adapted to the particular circumstances of the partner country involved. Some of the approaches taken in the Singapore and Chile agreements—in environment, labor, and agriculture, for example—simply may not work for countries at different levels of development or with different political and social structure.

To some extent, these are issues for another day. But I raise them today as fair warning.

I think the consultation process worked well for the Singapore and Chile agreements, but we will need to do even better on the CAFTA, Australia, and other potentially controversial agreements. Otherwise, I believe both the ambitious negotiating schedules and the chances of Congressional approval for future agreements are at serious risk.

Now I want to turn to the implementing bills themselves.

These bills were prepared by the administration in consultation with Finance Committee members and staff. We have followed the sample cooperative drafting procedures that were used for the NAFTA, the Uruguay Round, and other trade agreements considered under fast-track.

I am satisfied with the results of this process.

The two bills before us today are very similar to each other and to the Implementation Acts for NAFTA and the U.S.-Jordan Agreement. They are narrowly tailored to include only what is necessary or appropriate to implement the agreements. Where there are differences between the two bills, they reflect different negotiated outcomes in the two agreements.

I have worked hard to make sure these draft bills meet two criteria. First, the bills must accurately reflect the agreements. Second, the bills must preserve the prerogatives of Congress over trade policy.

One of my main concerns in the Singapore bill has been implementation of the Integrated Sourcing Initiative, or ISI. I have worked to make sure the bill narrowly reflects the purpose of the ISI and does not provide unintended benefits to third countries.

The bill achieves that goal by assuring that Congress will have a vote before the list of ISI products can be expanded. I want to thank USTR and Chairman GRASSLEY for working with me to come up with language that does the job.

I also had some concerns about whether the ISI could create a loophole in our economic sanctions and global safeguard laws. I appreciate the Administration's willingness to think creatively and come up with language in the Statement of Administrative Action that will help avoid potential problems.

Another concern—in both bills—has been the role of Customs. A few months ago, Chairman GRASSLEY and I came to a temporary agreement with the Administration on how to divide authority over Customs between the Departments of Treasury and Homeland Security.

A process is in place to review the initial division of labor in the coming year. So it is critical that nothing in these bills changes the current division or supersedes the review process. Again—I appreciate the willingness of Chairman GRASSLEY and the Administration to work with me on this issue.

Mr. President, the Singapore and Chile free trade agreements are solid agreements that will create economic opportunities for Americans.

With the WTO talks in a stalemate and FTAA talks bogging down, we need to pursue bilateral and regional options to expand trade and grow our economy. These agreements help achieve that goal.

A strong vote in favor of these agreements will send all the right messages—to American workers, farmers and businesses and also to our trading partners—that the United States still stands for trade liberalization. That our trade agenda is on track. And that the right kind of agreements will receive broad Congressional support.

Mr. President 1 year ago this week, the Senate passed the Trade Act of 2002.

This was landmark legislation. It was hard fought—it took the better part of 18 months to write and pass. It was far-reaching—touching on many aspects of our trade agenda. And it had support across the political spectrum—especially in the Senate.

Among its many provisions, the Trade Act improved and expanded the Trade Adjustment Assistance program for farmers and ranchers; renewed the President's Fast-Track trade negotiating authority; and renewed and expanded the Andean Trade Preference Act.

On august 6, we reach the 1-year mark for all these changes. So now is a good time to take stock of what has been accomplished so far.

Have the provisions of the Trade Act been implemented in a timely fashion? Are they working as Congress intended? And what remains to be done?

In sum, what I am here to provide today is a report card on the first year of the Trade Act of 2002.

I am proud of all the work that went into the Trade Act. But the part I am most proud of is the historic improvement and expansion of Trade Adjustment Assistance.

We all know that expanding trade is good for the economy as a whole. It creates new export opportunities for farmers and businesses. It generates employment. It gives consumers more choices and saves them money.

But trade liberalization is not always good for individual workers. Inevitably, some will lose their jobs.

Trade adjustment assistance is the result of a promise first made to American workers by President Kennedy. He

promised workers that when our Government's trade policy results in the loss of jobs, we will help dislocated workers retrain, retool, and learn the new skills that they need to return to the workforce. That promise has been consistently renewed by Congress ever since.

Last year's Trade Adjustment Assistance Reform Act grew out of 40 years of experience with the TAA program. Many of the bill's key reforms were suggested in comprehensive studies of the program's strengths and weaknesses done by the GAO and the Trade Deficit Review Commission.

What those reports told us was that there were some ways to make TAA work better. That meant expanding eligibility to cover more workers affected by trade. It meant expanding benefits to assure a more useful retraining experience. and it also meant tightening up the rules in some places to make sure that the program is operating responsibly.

The improved TAA program went into effect last November.

Primary workers who lose their jobs due to import competition continue to be eligible for assistance. But the new, expanded eligibility rules also make assistance available to secondary workers whose companies lose business supplying inputs to primary firms; and workers who lose their jobs when their companies shift production overseas.

Secondary workers are only secondary in the minds of academics who made up the term. The fact is that they suffer the same job loss for the same reason as primary workers. They deserve the same chance to retrain. Now, that is what they get.

In another improvement, workers can now get training and income support for up to 2 years. this is a key change from the old program, where income support ran out before training benefits.

That led many workers to drop out of training before they were done. Dropping out of training defeats the whole purpose of TAA, so this was a critical fix.

Another key fix was the addition of a health care benefit. One of the things that has kept workers out of TAA retraining in the past was their inability to maintain affordable health insurance for their families. Now TAA enrollees are entitled to a 65 percent tax credit toward qualified health insurance expenses while in training.

Workers are also benefitting from a streamlined application process. The Trade Act combined the old TAA and NAFTA–TAA programs into one—so workers no longer have to apply twice under different rules.

Since last November, the Department of Labor has certified 1,242 TAA petitions, making 133,848 workers eligible to apply for TAA benefits.

That includes workers from Stimson Lumber in Libby, MT, and Trout Creek Lumber in Trout Creek, MT. Our lumber industry in Montana has been hard hit by unfairly subsidized Canadian lumber. I hope there will be a long-term solution to this intractable problem that will stop the job losses. I know that getting TAA assistance is not the first choice for any of these workers. But at least it is something—and something much more useful now than it was before.

Most of last year's reforms to TAA have been fully implemented and are working well. I want to thank Secretary Chao, Assistant Secretary DeRocco, and the team at the Education and Training Administration for making this priority. Thanks to their planning and hard work, the Department of Labor has done an exemplary job getting the improved program off the ground.

Still, the work of implementing TAA reform is not done. There are at least four areas where more work lies ahead.

First, the Trade Act required the Department of Labor to process petitions faster—in 40 days rather than 60. Slow petition approvals are a problem that has dogged the TAA program for years. Workers can't get program benefits until their petitions are approved.

I am glad to see that processing times are picking up. But they are not down to 40 days yet. I know the Labor Department appreciates the importance of speeding up processing time—and I certainly urge them to redouble their efforts in that regard.

Second, the Trade Act created a new Alternative TAA program—sometimes called ''wage insurance''—aimed at older workers. Instead of enrolling in traditional TAA, these workers can choose to take a lower-paying job and receive a wage supplement from the government for up to 2 years. The goal of Alternative TAA is to encourage on-the-job training—which is usually the best training—and get workers back in jobs faster by making up some of the temporary income loss they may suffer by changing careers.

Alternative TAA is scheduled to go into effect on August 6 of this year. I am increasingly concerned that this deadline will not be met. Labor Department officials have assured me that they fully intended to launch this program on time. I don't doubt their sincerity or resolve.

So far, however, no draft regulations or program details have been made available. That means the public has not been able to comment on how the program might work. Outreach to potential enrollees cannot begin. And time is growing awfully short to get the States involved, even though they are on the front lines in running this program.

Alternative TAA is one of the most important innovations in the Trade Act. If it works, it could provide a whole new model for assisting displaced workers in this country.

One year seems like plenty of time to get this program running. I certainly hope it will be up and running by the deadline set by Congress.

A third outstanding item is the health care tax credit. A refundable credit was available starting last December. Congress set this August as the deadline for making the credit advanceable. For most people, that is the key to affordability.

The tax credit has been off to a somewhat shaky start. That is understandable, given that we are trying something completely new here.

In order for the tax credit to work, each state has to provide at least one group coverage option for eligible workers who do not have COBRA coverage.

As of now, it appears that about 22 states will have their coverage options up and running by August. That means that in more than half the states, some qualified workers will not be able to use their tax credits to by health insurance—unless they have COBRA.

That's not something the Federal Government can ultimately control. It is up to the States to provide retraining workers with qualified options. But I certainly encourage Treasury, HHS, and DOL to redouble their outreach efforts to get the slower States to pick up the pace.

The Trade Act of 2002 for the first time created a TAA program especially for farmers and ranchers. Farmers and ranchers are affected by trade a little differently from manufacturing workers. They don't tend to lose their jobs and go on unemployment insurance. Instead, they can face sudden sharp falls in commodity prices due to trade. These price drops affect their income, but not necessarily their employment status.

TAA for farmers has been a long time in coming. After several failed attempts, history has shown that trying to shoe-horn farmers and ranchers into a TAA program designed for manufacturing workers doesn't work. So Congress created a TAA program that better fits their needs. The eligibility trigger is different—it is based on the effect of trade on commodity prices. But the purpose is the same—give farmers a chance to retool, retrain, and adapt to import competition.

I am very proud of this program. It has the potential to do some real good in Montana and other States where farmers work hard to make it in a global economy. And it can help bolster support for trade liberalization in the agricultural community.

USDA has done some solid thinking on how to put this program together. I commend them on their outreach to Congress and to the private sector during the planning stages.

But the effort got off to a very slow start. Even though things are back on track now, they are running way behind schedule. Congress set aside $90 million for this program in fiscal year 2003 and told USDA to get the program operational by March of this year. That didn't happen.

I know that USDA is close to finalizing the regulations so they can get

TAA for Farmers up and running. I urge Secretary Veneman to do everything in her power to make sure that the program gets started in time to use the funds that Congress intended for our farmers in this fiscal year.

What happens next?

The first step is getting all the changes to TAA up and running. I hope that we are in the home stretch on that.

Then we need to start tracking results. Seeing how well the new, improved program is working. To that end, Senator GRASSLEY and I have jointly asked the GAO to do an assessment of how well TAA has been working in the first year under the new law. We have to wait long enough for meaningful data to be collected. So that report is due out next summer, and I am looking forward to the results.

In the meantime, I will be keeping my eye on TAA. A few important issues to watch will be training funds: Was the increase in the Trade Act enough to meet increased enrollment?, and performance evaluation: Are DOL and the states cooperating to generate good data for tracking program participation and outcomes?

One last item for future action is TAA for Firms. This program, which operates out of the Department of Commerce, provides technical assistance to small and medium-sized companies that face layoffs due to import competition. The companies themselves chip in half the money to fund their adjustment plans. And they pay back the Federal share in tax revenues and foregone unemployment services when they succeed.

For many years, TAA for Firms has been chronically underfunded. A backlog of approved but unfunded adjustment proposals is building up in every State.

In order to begin reducing this backlog, in the Trade Act of 2002, Congress reauthorized TAA for Firms at an increased funding level of $16 million annually. The President's budget for fiscal year 2004, however, proposes funding at only $13 million.

This is not enough, and I view it as unacceptable backsliding by the administration. I encourage our appropriators to fund this program fully at the authorized level of $16 million.

Aside from funding, I think the biggest threat to the effective operation of the TAA for Firms program is a pending proposal to change its management structure. This program works well under a small centralized management in Washington, supplemented by the excellent work of 12 regional Trade Adjustment Assistance Centers.

The program is not broken and does not need to be fixed. That is why I oppose the department's plans to break the Washington office up into seven separate offices scattered around the country. It seems like an inefficient use of government resources that will only complicate oversight and jeopardize consistent decision-making. This is not a partisan issue—it's just good government.

That is why I have introduced S. 1120—a bill to move the FAA for Firms program to a different part of the Commerce Department, where it can continue to be centrally managed. The bill currently has 12 co-sponsors, and I urge my colleagues to support it.

In addition to TAA, there were, of course, several other very important provisions in the Trade Act of 2002. Most significantly—Trade Promotion Authority.

After a lapse of 8 years, we were able to renew the fast-track procedures that allow the President to submit trade agreements to Congress for an up-or-down vote with no amendments. It is these very procedures that bring us to the floor today to debate, and ultimately vote on, the Singapore and Chile FTAs.

Some people say our trade agenda was stalled—or even dead—before we passed TPA. I strongly disagree.

We completed China and Taiwan's WTO accessions. We passed AGOA, the Jordan FTA and the Vietnam trade agreement. We know from experience that good, strong trade bills with bipartisan support can pass the Congress even without fast-track.

But fast-track makes this more likely. And—particularly when we are negotiating complex agreements with large groups of countries in the WTO or FTAA—there is just no other way to get our trading partners to put their best deals on the table. They won't show their bottom line if they think Congress can come back and renegotiate the deal.

So getting fast-track renewed is an important accomplishment. It lasts for 3 years—extendable to 5. I hope we use it well.

I want to see us use fast track to negotiate trade agreements that serve the commercial objectives of our farmers and businesses. Agreements that will create jobs for our workers and real value for consumers.

These are the kinds of agreements that will build domestic support for our trade agenda. With that support, our progress on trade will become self-reinforcing—and we will not need to worry about another lengthy lapse in fast-track.

For the last few months I have been working—together with Congressman DOOLEY and others—to reach out to business and agriculture groups and others interested in trade to hear their priorities for commercially meaningful trade agreements. I plan to continue this process and to consult closely with the administration on what I learn.

That leads me to just a few comments on consultation. The bills before us today are the first to be considered under the fast-track procedures approved last year. And one of the key refinements in the bill was to beef up the consultation process between the administration and Congress.

I want to thank Ambassador Zoellick and his staff for the efforts they have put into these consultations. Given the nature and pace of negotiations, there is always a balance to be struck between timely and meaningful consultation with Congress and quick turnaround by our negotiators. I hope they will continue their efforts to improve Congressional access to draft negotiating documents and keep the lines of communication open even when the pace of negotiations gets frantic.

I also want to commend both USTR and Senator GRASSLEY and his staff for the drafting process for the Singapore and Chile bills. It was very cooperative. This is the way the informal drafting process is supposed to work under fast-track. I think it sets a good precedent as new agreements come down the road.

Finally, I want to turn to another part of the Trade Act—the renewal and expansion of the Andean Trade Preferences Act.

Early reports slow rising exports from ATPA countries to the U.S. in some of the new categories to receive benefits. Reports from USTR and the ITC indicate that ATPA continues to play a critical role in economic diversification and drug eradication efforts in the Andean region.

As always, that doesn't mean our trade relationship with the region is trouble-free. For one thing, U.S. companies have a number of unresolved investment disputes with Andean countries. Even with the pressure USTR could bring to bear prior to ATPA renewal, we were not able to resolve them all. For example, Ecuador continues to deny VAT payment credits that it owes to American companies—despite continued promises at the highest levels of government.

Advancing the trade agenda through new agreements is important—but so is making sure that our trading partners are living up to the commitments they have already made. Congress will be looking at ATPA again in a few years, and we need to keep our eyes on the region.

The Trade Act of 2002 was the most significant and far-reaching piece of trade legislation to come through the Congress in 14 years. I am proud to have played a central role in shaping it. Overall, my report card on implementation is pretty positive.

As implementation on TAA moves forward, I intend to continue monitoring the administration's efforts and the impact that the program has on eligible workers. I also plan to continue working on trade legislation that advances our agenda of job creation and economic growth. There will be plenty of opportunities ahead.

ENERGY TAX INCENTIVES—S. 14

Mr. BAUCUS. Mr. President, we are about to vote on the comprehensive Energy legislation. While the Senate has debated numerous aspects of this legislation, there has been a little discussion—not very much, I might add—